GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:500
ANSWERED ON:20.02.2003
COST OF POWER TO INDIAN INDUSTRY
SUDARSANA E.M. NATCHIAPPAN

Will the Minister of POWER be pleased to state:

(a) whether the Indian Industry pays three times more for power than the Chinese Industry does;

(b) if so, the reasons therefor; and

(c) the steps taken by the Government to reduce the cost of power to Indian Industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Average tariff paid by industry in China indicates that the tariff for industrial consumers in India is about two times higher.

(b) : In India Industrial consumers pay a tariff higher than the cost of supply tocross subsidise domestic and agricultural consumers who pay a tariff below the cost of supply.

(c): Government of India enacted the Electricity Regulatory Commissions Act1998. According to the provisions of this Act, one of the guiding principles for the State Commissions while determining tariff is that the tariff progressively reflects the cost of supply of electricity at an adequate and improving level of efficiency. It also provides that if a state government requires the grant of any subsidy to any consumer or class of consumers, the State Government shall pay the amount to compensate the person affected by the grant of subsidy in the manner the regulatory commission may direct.